

UNITED STATES MISSION TO THE UNITED NATIONS
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The United States Mission to the United Nations presents its compliments to the United Nations Secretariat and has the honor to inform it of the policies and procedures regarding the acquisition, and disposition of real property used by the United Nations in the United States, including exemption from real estate taxes.

Pursuant to section 209(a) of the Foreign Missions Act (22 U.S.C. § 4309(a)), the U.S. Department of State has determined that the application of all provisions of the Foreign Missions Act (22 U.S.C. §§ 4301-4316) to international organizations is necessary to facilitate the secure and efficient operation of the organizations in the United States, to assist in obtaining benefits, privileges and immunities for the organizations, and to require their observance of corresponding obligations in accordance with international law. A copy of the associated Designation and Determination (No. FMA-2014-2, dated January 8, 2014) is enclosed.

Approval of Real Property Transactions

Pursuant to section 205 of the Foreign Missions Act (22 U.S.C. § 4305), international organizations, including the United Nations, are obligated to obtain the approval of the Department's Office of Foreign Missions (OFM) before finalizing a proposed lease, purchase, sale, or other acquisition or disposition of real property in the United States. This requirement

applies to all property transactions involving the organization anywhere in the United States and its territories.

Absent OFM's approval of a proposed acquisition or disposition of real property, the United Nations Secretariat is advised that such property would be assumed not to enjoy any otherwise applicable privileges and immunities, including inviolability and exemption from real estate taxation.

The United Nations should submit all such requests directly to OFM with a copy to the United States Mission, Host Country Affairs Section. At a minimum, the written request for approval should include:

1. The exact address of the property, including apartment, suite, floor number, square footage, etc.;
2. The proposed or existing use of the property;
3. The proposed transaction, i.e., purchase, lease (including lease start and end dates), or sale;
4. The inclusion of one of the following statements:
 - No part of this property is or will be used for commercial purposes; or
 - A portion or all of this property is or will be used for commercial purposes and by doing so the United Nations understands that such use deprives the area used for such purposes of any applicable inviolability or eligibility for exemption from real estate taxation.
5. The inclusion of the following statement: The United Nations acknowledges that it must request and obtain the approval of the Department of State's Office of Foreign Missions prior to [acquiring/disposing of] this property. The United Nations further understands

that it must request and obtain the Department's approval prior to changing the use of this property from that which is described in this request.

6. Residential – The name(s) and position title of the intended tenant/resident.
7. Point of Contact – The name and contact information of the United Nations employee authorized to discuss the proposed property acquisition with OFM.

After receiving a request, 22 U.S.C. § 4305(a)(1) allows the Department a period of up to sixty (60) calendar days for review. Although OFM is normally able to provide a response within a few weeks, the full review period may be required. Therefore, the United Nations is encouraged to submit requests as far in advance as possible.

All international organizations are encouraged to discuss proposed acquisitions or dispositions of real property with OFM as early as possible. Those international organizations that obtain the benefit of OFM's experience and advice in the early stages of an acquisition, or disposition may avoid any unnecessary financial or legal complications.

Real Estate Tax Exemption

To ensure that state and local tax authorities consistently extend real estate tax exemption privileges to the United Nations when authorized by OFM, the Department has designated such exemption as a benefit under the Foreign Missions Act on the basis of a property's authorized use for the official business of the United Nations. The Department has also determined that this exemption shall be provided on such terms and conditions as may be established by OFM. A copy of the associated Designation and Determination (No. FMA-2014-1, dated January 8, 2014) is enclosed.

In accordance with the procedures described below, exemption from real estate taxes on the basis of a property's authorized use for the official business of the United Nations may be available to the United Nations only with respect to property authorized by OFM for use as:

1. the premises of the United Nations, that are owned by the United Nations;
2. the primary residence of the head (Secretary General) of the United Nations Secretariat, that is owned by the United Nations;
3. the primary residence of a member or members of the staff of the United Nations, that is owned by the United Nations; or
4. another category of property authorized by OFM.

Property that is owned by the United Nations for the purpose of constructing or renovating facilities and that OFM has authorized for use for any of the purposes described above is also eligible for an exemption from real estate taxes, provided that OFM authorized the acquisition of such property.

For these purposes, real estate taxes refer to taxes associated with the purchase, ownership, and disposition of real property, including, but not limited to, annual property tax, recordation tax, transfer tax, and the functional equivalent of deed registration charges and stamp duties. Real estate taxes do not include those that represent charges for specific services rendered, such as water and sewer usage or trash collection services. Furthermore, property lessees are not entitled to an exemption of real estate taxes on such property because such taxes are payable under state and local law by the property owner.

Procedures for Requesting Real Estate Tax Exemption

The United Nations Secretariat is advised that state and local tax authorities are prohibited from extending an exemption from real estate taxes associated with a property on the basis of the property's authorized use for the official business of the United Nations, except on the basis of written authorization from the Director of OFM's Office of Diplomatic Policy and Reciprocity (OFM/PR). Therefore, the United Nations Secretariat is requested to follow the procedures set forth below to facilitate OFM's authorization of the exemption:

- As described above, the Secretariat should submit requests to acquire or dispose of real property in the United States in a timely manner. When OFM approves a request, if appropriate, OFM/PR will deliver a letter to the relevant state and/or local tax authority to authorize an exemption from real estate taxes on the transaction (typically, transfer or recordation taxes). OFM/PR will also provide a copy of the letter to the Secretariat.
- When the Secretariat is purchasing property, it must provide OFM with a copy of the deed and settlement statement. When OFM receives this information, if appropriate, it will deliver a letter to the relevant local tax authority to authorize an exemption from annual property taxes. OFM will also provide a copy of the letter to the Secretariat.

Verification of United Nations' Properties

To ensure the accuracy of OFM's records, the United Nations is also requested to provide OFM with a list of properties owned, leased, or otherwise used by the United Nations in the United States, including:

1. The exact address of such properties, including if applicable, apartment, suite, or floor numbers;

2. Whether such properties are owned or leased;
3. A description of the existing uses associated with such properties;
 - If the property is comprised of multiple floors or units, a general description of each floor's use(s) should be provided. Such descriptions may be provided simply as "office use", "residential", or "commercial";
4. For leased properties, please provide the start and end dates associated with each lease;
5. The inclusion of one of the following statements with respect to each property that is owned by the mission or the government it represents:
 - No part of this property is used for commercial purposes; or
 - A portion or all of this property is used for commercial purposes, and by doing so, the organization understands that such use deprives the areas used for such purposes of its inviolability and exemption from real estate taxation.

If a portion or all of a property is used for commercial purposes, the United Nations is required to provide OFM with information detailing the square footage of the premises that is used for commercial purposes.

The Department believes these policies outlined above positively impact your organization's operations. The United Nations Secretariat is encouraged to contact OFM/PR at OFMProperty@state.gov or 202-895-3500 extension 5 or OFM's New York office at OFMNYCustomerService@state.gov or 646-282-2825 with any questions it may have.

The United States Mission to the United Nations avails itself of this opportunity to renew to the United Nations Secretariat the assurances of its highest consideration.

Enclosure: As stated